



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL	
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
8- 21380

**FACING PAGE**  
**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: MONNESS, CRESPI, HARDT & CO., INC.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

767 THIRD AVENUE

(No. and Street)

NEW YORK

NEW YORK

10017-2047

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

NEIL CRESPI

212-838-7575

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

VASSALLO, VINCENT ROBERT

(Name - if individual, state last, first, middle name)

16 PORTER PLACE

SEA CLIFF

NEW YORK

11579

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions

**PROCESSED**

**MAR 10 2008**

**THOMSON  
FINANCIAL**

**Mail Processing  
Section**

**FEB 26 2008**

**Washington, DC**

**100**

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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3/7/08

## OATH OR AFFIRMATION

I, NEIL CRESPI, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MONNESS, CRESPI, HARDT & CO., INC., as of DECEMBER 31, 20 07, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Signature

Title

Notary Public

JENNIFER TRAINOR  
Notary Public, State of New York  
No. 01TR5013422 Qualified in Nassau Co.  
Commission Expires July 15, 2011

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

VINCENT R. VASSALLO

CERTIFIED PUBLIC ACCOUNTANT

16 PORTER PLACE  
SEA CLIFF, NEW YORK 11579  
TEL: (516) 759-1994 FAX: (516) 759-7109

INDEPENDENT ACCOUNTANTS' CERTIFICATE

Monness, Crespi, Hardt & Co., Inc.  
767 Third Avenue  
New York, New York 10017

Gentlemen:

We have examined the Focus Report of Monness, Crespi, Hardt & Co., Inc. as of December 31, 2007 that you are filing pursuant to Rule 17a-d under the Securities Exchange Act of 1934.

Our examination was made in accordance with generally accepted auditing standards, generally accepted in the United States of America and accordingly included a review of the system of internal control and the procedures for safeguarding securities and such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, including the audit procedures prescribed by the Securities and Exchange Commission.

In our opinion, the accompanying Focus Report presents fairly, in all material respects, the financial position of Monness, Crespi, Hardt & Co., Inc. as of December 31, 2007 in the form required by the Securities and Exchange Commission in conformity with generally accepted accounting principles, consistently applied.

  
CERTIFIED PUBLIC ACCOUNTANT

Sea Cliff, New York  
February 25, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0123
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Form  
X-17A-5

**FOCUS REPORT**  
(Financial and Operational Combined Uniform Single Report)  
**PART IIA** 12

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) ☒ 16

2) Rule 17a-5(b) ☐ 17

3) Rule 17a-11 ☐ 18

4) Special request by designated examining authority ☐ 19

5) Other ☐ 26

NAME OF BROKER-DEALER

MONNESS, CRESPI, HARDT & CO., INC.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

767 THIRD AVENUE

(No. and Street)

NEW YORK

(City)

NY

(State)

10017-2047

(Zip Code)

SEC FILE NO.

8-21380

FIRM I.D. NO.

13-2878577

FOR PERIOD BEGINNING (MM/DD/YY)

01/01/07

AND ENDING (MM/DD/YY)

12/31/07

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code) — Telephone No.

NEIL CRESPI

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS?

YES ☐ 40 NO ☒ 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

☒ 42


**EXECUTION:**

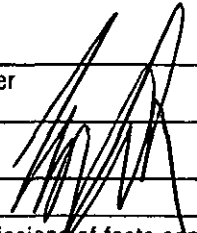
The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 25th day of February 20 08

Manual signatures of:

1)   
Principal Executive Officer or Managing Partner

2)   
Principal Financial Officer or Partner

3)   
Principal Operations Officer or Partner

**ATTENTION** — Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78f(a))

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **MONNESS, CRESPI, HARDT & CO., INC.**

**N 3**

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### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) **12/31/07**

SEC FILE NO. **8-21380**

Consolidated	99
Unconsolidated	98
<input checked="" type="checkbox"/> X	198
	199

	Allowable	Non-Allowable	Total
1. Cash .....	\$ 344,432 200		\$ 344,432 750
2. Receivables from brokers or dealers:			
A. Clearance account .....	2,177,985 295		
B. Other .....	300		2,177,985 810
3. Receivable from non-customers .....	355	250,000 600	250,000 830
4. Securities and spot commodities owned at market value:			
A. Exempted securities .....	418		
B. Debt securities .....	419		
C. Options .....	420		
D. Other securities .....	424		
E. Spot commodities .....	430		850
5. Securities and/or other investments not readily marketable:			
A. At cost $\frac{1}{2}$ \$ .....	130		
B. At estimated fair value .....	440	610	860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:	460	630	880
A. Exempted securities \$ .....	150		
B. Other securities \$ .....	160		
7. Secured demand notes: .....	470	640	890
Market value of collateral:			
A. Exempted securities \$ .....	170		
B. Other securities \$ .....	180		
8. Memberships in exchanges:			
A. Owned, at market \$ .....	190		
B. Owned, at cost .....		650	
C. Contributed for use of the company, at market value .....		660	900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships .....	480	670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization .....	490	200,430 680	200,430 920
11. Other assets .....	535	4,270 735	4,270 930
12. TOTAL ASSETS .....	\$ 2,522,417 540	\$ 454,700 740	\$ 2,977,117 940

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

MONNESS, CRESPI, HARDT &amp; CO., INC.

as of 12/31/07

### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

#### LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
13. Bank loans payable .....	\$ 1045	\$ 1255 <sup>13</sup>	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account .....	1114	1315	1560
B. Other .....	1115 <sup>10</sup>	1305	1540
15. Payable to non-customers .....	1155	1355	1610
16. Securities sold not yet purchased, at market value .....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other .....	1,522,736 1205	1385	1,522,736 1685
18. Notes and mortgages payable:			
A. Unsecured .....	1210		1690
B. Secured .....	1211 <sup>12</sup>	1390 <sup>14</sup>	1700
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders <sup>1</sup> \$ 970			
2. includes equity subordination (15c3-1(d)) of ... \$ 980			
B. Securities borrowings, at market value .....		1410	1720
from outsiders \$ 990			
C. Pursuant to secured demand note collateral agreements .....		1420	1730
1. from outsiders \$ 1000			
2. Includes equity subordination (15c3-1(d)) of ... \$ 1010			
D. Exchange memberships contributed for use of company, at market value .....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes .....	1220	1440	1750
20. TOTAL LIABILITIES .....	\$ 1,522,736 1230	\$ 1450	\$ 1,522,736 1760
<b>Ownership Equity</b>			
21. Sole Proprietorship .....		15 \$ 1770	1770
22. Partnership (limited partners) .....	11 (\$ 1020)		1780
23. Corporation:			
A. Preferred stock .....			1791
B. Common stock .....		20,000	1792
C. Additional paid-in capital .....		55,000	1793
D. Retained earnings .....		1,379,381	1794
E. Total .....		1,454,381	1795
F. Less capital stock in treasury .....		16 ( 1796	1796
24. TOTAL OWNERSHIP EQUITY .....		\$ 1,454,381	1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....		\$ 2,977,117	1810

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **MONNESS, CRESPI, HARDT & CO., INC.**

as of 12/31/07

### COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition .....	\$	1,454,381	3480
2. Deduct ownership equity not allowable for Net Capital .....	19		3490
3. Total ownership equity qualified for Net Capital .....		1,454,381	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital .....			3520
B. Other (deductions) or allowable credits (List) .....			3525
5. Total capital and allowable subordinated liabilities .....	\$	1,454,381	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C) .....	17	\$ 454,700	3540
B. Secured demand note delinquency .....			3590
C. Commodity futures contracts and spot commodities –			
proprietary capital charges .....			3600
D. Other deductions and/or charges .....			3610
7. Other additions and/or allowable credits (List) .....		454,700	3620
8. Net capital before haircuts on securities positions .....	20	\$ 999,681	3630
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments .....		\$	3660
B. Subordinated securities borrowings .....			3670
C. Trading and investment securities:			
1. Exempted securities .....	18		3735
2. Debt securities .....			3733
3. Options .....			3730
4. Other securities .....			3734
D. Undue Concentration .....			3650
E. Other (List) .....			3736
10. Net Capital .....	\$	999,681	3750

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **MONNESS, CRESPI, HARDT & CO., INC.**

as of 12/31/07

### COMPUTATION OF NET CAPITAL REQUIREMENT

#### Part A

11. Minimum net capital required (6 7/8% of line 19) .....	\$	101,516	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	100,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$	101,516	3760
14. Excess net capital (line 10 less 13) .....	\$	898,165	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$	847,407	3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition .....	\$	1,522,736	3790
17. Add:			
A. Drafts for immediate credit .....	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$	3810	
C. Other unrecorded amounts (List) .....	\$	3820	
18. Total aggregate indebtedness .....	\$	1,522,736	3840
19. Percentage of aggregate indebtedness to net capital (line 18 ÷ by line 10) .....	%	152	3850
20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) .....	%	N/A	3860

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

#### Part B

21. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits .....	\$	N/A	3970
22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	3880	
23. Net capital requirement (greater of line 21 or 22) .....	\$	3760	
24. Excess capital (line 10 less 23) .....	\$	3910	
25. Net capital in excess of the greater of:			
A. 5% of combined aggregate debit items or \$120,000 .....	\$	N/A	3920

#### NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6 7/8% of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.



# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **MONNESS, CRESPI, HARDT & CO., INC.**

For the period (MMDDYY) from 1/1/07 3932 to 12/31/07 3933  
 Number of months included in this statement 12 3931

### STATEMENT OF INCOME (LOSS)

#### REVENUE

1. Commissions:			
a. Commissions on transactions in exchange listed equity securities executed on an exchange .....	\$	23,048,991	3935
b. Commissions on listed option transactions .....	25		3938
c. All other securities commissions .....			3939
d. Total securities commissions .....			3940
2. Gains or losses on firm securities trading accounts			
a. From market making in options on a national securities exchange .....			3945
b. From all other trading .....		(21,054)	3949
c. Total gain (loss) .....		(21,054)	3950
3. Gains or losses on firm securities investment accounts .....			3952
4. Profit (loss) from underwriting and selling groups .....	26		3955
5. Revenue from sale of investment company shares .....			3970
6. Commodities revenue .....			3990
7. Fees for account supervision, investment advisory and administrative services .....			3975
8. Other revenue .....		2,446,462	3995
9. Total revenue .....	\$	25,474,399	4030

#### EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers .....		4,583,385	4120
11. Other employee compensation and benefits .....		8,011,579	4115
12. Commissions paid to other broker-dealers .....		2,722,324	4140
13. Interest expense .....		25,000	4075
a. Includes interest on accounts subject to subordination agreements .....		4070	
14. Regulatory fees and expenses .....			4195
15. Other expenses .....		8,914,071	4100
16. Total expenses .....	\$	24,256,359	4200

#### NET INCOME

17. Income (loss) before Federal income taxes and items below (Item 9 less Item 16) .....	\$	1,218,040	4210
18. Provision for Federal income taxes (for parent only) .....	28		4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above .....			4222
a. After Federal income taxes of .....		4338	
20. Extraordinary gains (losses) .....			4224
a. After Federal income taxes of .....		4239	
21. Cumulative effect of changes in accounting principles .....			4225
22. Net income (loss) after Federal income taxes and extraordinary items .....	\$	1,218,040	4230

#### MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items .....	\$	N/A	4211
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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **MONNESS, CRESPI, HARDT & CO., INC.**

For the period (MMDDYY) from 01/01/07 to 12/31/07

### STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period .....	\$	1,057,319	4240
A. Net income (loss) .....		1,218,040	4250
B. Additions (Includes non-conforming capital of .....	\$	4262	4260
C. Deductions (Includes non-conforming capital of .....	\$	4272	4270
		820,978	4270
2. Balance, end of period (From item 1800) .....	\$	1,454,381	4290

### STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period .....	\$	750,000	4300
A. Increases .....			4310
B. Decreases .....		750,000	4320
4. Balance, end of period (From item 3520) .....	\$	0	4330

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **MONNESS, CRESPI, HARDT & CO., INC.**

as of **12/31/07**

### EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

- |  |        |
|--|--------|
| A. (k)(1) — \$2,500 capital category as per Rule 15c3-1 .....  | 4550   |
| B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained .....                   | 4560   |
| C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis. |        |
| Name of clearing firm <sup>30</sup> <b>GOLDMAN SACHS EXECUTION &amp; CLEARING, L. P.</b> 4335              | X 4570 |
| D. (k)(3) — Exempted by order of the Commission (include copy of letter) .....                             | 4580   |

**Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.**

Type of Proposed Withdrawal or Accrual (See below for code)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
31 4600	4601	4602	4603	4604	4605
32 4610	4611	4612	4613	4614	4615
33 4620	4621	4622	4623	4624	4625
34 4630	4631	4632	4633	4634	4635
35 4640	4641	4642	4643	4644	4645
			Total \$ <sup>36</sup> 0	4699	

OMIT PENNIES

Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

#### WITHDRAWAL CODE:

- 1.
- 2.
- 3.

#### DESCRIPTIONS

Equity Capital  
Subordinated Liabilities  
Accruals

MONNESS, CRESPI, HARDT & CO., INC.

RECONCILIATION OF COMPUTATION OF NET CAPITAL  
DECEMBER 31, 2007

<u>Line Description</u>	<u>Per Audited Report</u>	<u>Per Unaudited Report</u>	<u>Increase (Decrease) Net Capital</u>	<u>Explanation</u>
3480 Total ownership equity	\$1,454,381	\$1,483,571	\$ (29,190)	Adjustment
3540 Less non-allowable assets	<u>454,700</u>	<u>483,524</u>	<u>28,824</u>	Adjustment
3750 Net capital	<u>\$ 999,681</u>	<u>\$1,000,047</u>	<u>\$ (366)</u>	

MONNESS, CRESPI, HARDT & CO., INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2007

Increase (Decrease) in Cash

Cash flows from operating activities:

Net income \$ 1,218,040

Adjustments to reconcile net income to net cash  
used in operating activities:

Depreciation 93,190

Change in assets and liabilities:

(Increase) decrease in:

Receivables from clearing brokers (179,236)

Receivables from non-customers (22,431)

Investments 77,184

Purchase of furniture  
and leasehold improvements (92,776)

Other assets (4,269)

Increase (decrease) in:

Subordinated loan (750,000)

Accounts payable 800,615

Distributions to shareholders (820,978)

Net increase in cash 319,339

Cash, beginning of period 25,093

Cash, end of period \$ 344,432

The accompanying notes are an integral part of this statement.

MONNESS, CRESPI, HARDT & CO., INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007

Note 1 - Inception of Operations:

The Company commenced its business operations on February 11, 1977. The Company is a member of the N.A.S.D. and its principal business consists of being a broker dealer.

Note 2 - Net Capital:

The Company is a registered broker dealer subject to the SEC uniform net capital rule. This rule requires that the Company maintains a minimum net capital, as defined, of one-fifteenth of aggregate indebtedness or \$100,000, whichever is greater.

Note 3 - Subordinated loan:

The Company's subordinated loan of \$750,000 matured and was paid off. The loan was not needed to maintain the Company's minimum capital requirements.

END